

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 11, 2009, 2:00 P.M.
Room W020, House Building, State Capitol Complex

Members Present: Sen. John Valentine, Co-Chair
Rep. Kory M. Holdaway, Co-Chair
Sen. Gregory S. Bell
Sen. Ross I. Romero
Sen. Stephen H. Urquhart
Rep. Trisha S. Beck
Rep. Melvin R. Brown
Rep. Bradley M. Daw
Rep. Kay L. McIff
Rep. Carol Spackman Moss
Rep. Evan J. Vickers
Rep. C. Brent Wallis
Rep. R. Curt Webb
Rep. Mark A. Wheatley

Members Absent: None

Staff Present: Spencer Pratt, Fiscal Manager
Lorna Wells, Secretary

Public Speakers Present: President Richard White, UCAT
Mr. Jim Behunin, Auditor General Office
President Stephen Nadauld, Dixie State College
President Scott Wyatt, Snow College
Mr. Dan Anderson, Studentbody President Snow College
Mr. Mike Perez, Associate Vice President for Facilities Management,
University of Utah
Chief Scott Folsom, Chief of Police, University of Utah
Commissioner William A. Sederburg
Darren Marshall, Manager of Audit & Financial Services,
Utah State Board of Regents

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chairperson Valentine called the meeting to order at 2:10 p.m.

MOTION: Rep. Daw moved to approve the minutes for 2/9/2009.

The motion passed unanimously with Sens. Bell and Urquhart and Reps. Brown, McIff, Moss, and Wallis absent at the time of the vote.

1. Follow-up with Utah College of Applied Technology

Pres. White explained that in 1985, the Legislative Auditor General's office undertook a major study to seek an answer to questions similar to the question raised on Monday. At that time, the Auditor General's Office found discrepancies between using credit hours (which are used by colleges) and student enrollment hours (which are used by UCAT). Previous comparisons of college and ATC costs have relied on a multiplier to convert credit hours to student clock hours. The use of a single multiplier may result in inaccurate comparisons. Pres. White commented that the comparison sheet distributed Monday relied on this same multiplier methodology. Pres. White mentioned that there were some discrepancies in the numbers and calculations on the sheet as well. As acknowledged by the audit in 1995, the typical methods of reporting enrollments are different and the typical methods of comparing costs are different. An update of the 1995 audit has been directed by legislative leadership and is currently underway. Pres. White explained that V.P. Brian Foisy would provide further detail about the findings if necessary. Pres. White asked the Subcommittee to defer action on this issue until Mr. Behunin from the Auditor General's office completes a thorough investigation of the audit.

Rep. Holdaway thanked Pres. White for his comments. He asked if the audit will also look at CTE credits especially in the school districts with similar programs. He asked about the current status of the audit.

Mr. Behunin explained that the audit is in the beginning stages. At present, the scope is comparing the applied technology campuses of UCAT and the traditional USHE institutions. If the Legislature also wanted to look at the public school system, that would be possible, but it would delay the audit. Mr. Behunin will take this issue to the Auditor General.

Sen. Valentine asked about the competition between a governmental funded program and a private school. Sometimes more affluent individuals can enroll in proprietary schools and those with lower incomes will go to tax-subsidized institutions. In times of budget downturns, would it be more prudent to relinquish programs such as cosmetology to the private sector? This would enable funding in those areas where training is not available in the private sector. These programs could be cut first where the private industry has the capability to take up the slack.

Pres. White explained that there is competition between the private sector and UCAT. UCAT tries hard to meet the requests of employers and school districts. In some districts there are caps on the number of students per school that can enroll in a program. UCAT can investigate this further. Pres. White explained that many credit granting institutions, such as SLCC, have similar programs; so they should be involved with the investigation as well.

2. Dixie State College

Pres. Stephen Nadauld reported that the total enrollment at Dixie State College comparing Fall of 2007 to Fall of 2008 was up 12%. The total enrollment growth from Spring 2008 to Spring 2009 is up 17%. Pres. Nadauld reported that the upper division courses are up 35% for Fall and up 48% for Spring. Pres. Nadauld discussed some of the major focuses of DSC which include Allied Health, Business and Technology, and Education. DSC has a partnership with Intermountain Health Care. IHC has reported that there will be an increasing demand for health care workers. DSC is working to provide the necessary education and training. Dixie also has partnerships with DXATC, Washington County School District, SUU, U of U and with USU in various programs. Pres. Nadauld discussed the Student Activity Center and how the demand for these facilities and services has greatly increased. Pres. Nadauld compared some of the activities available in the Salt Lake City area with activities

available in Southwest Utah. Pres. Nadauld discussed the population growth and other services and entities in Washington County. Some of the challenges at DSC are that with 18 percent growth and a 15 percent cut, there is a 33 percent gap. There are potentially 150 sections without instructors for Fall 2009.

Rep. Holdaway asked about the status of a cooperative study between the U of U and Dixie that was appropriated for \$50,000 last year.

Pres. Nadauld reported that a task force was put together with individuals from both institutions. They produced two working papers that identified areas that could be done with both institutions. DSC is implementing as many as the current budgets will allow. He explained one of these areas will be to take the investment portfolio of DSC which is from private advisors and turn it over to U of U. The U of U will be the investment manager for DSC. Another area is that the U is helping staff some courses.

3. Snow College

Pres. Wyatt introduced members of the Board of Trustees, student body officers, and other individuals from Snow College. Pres. Wyatt described Snow College as a top-quality institution. Pres. Wyatt mentioned some of the successes at Snow College in athletics, science, fine arts, English and CTE. Snow College has a partnership with Julliard. Snow College's region is Central Utah. The central Utah region is the most economically challenged region in the state, there are many first-generation college students at Snow College. Snow College is the oldest two-year college west of the Mississippi. Almost 95 percent of the students live on campus.

Mr. Dan Anderson, student body president, discussed the positive aspects of being a student at Snow College. He discussed the one-on-one relationship with instructors and the great advantage of small class sizes.

Pres. Wyatt mentioned the things related to Higher Education that can be invested in to have a positive economic impact on Utah. Pres. Wyatt also reported that many of the faculty at Snow are making less money than faculty at the middle school. He asked the Subcommittee to consider that Snow College is very different than the other institutions.

Rep. Vickers appreciated the fact that Snow College is working hard to fulfill its specific mission as a two-year college. In his profession, students from Snow College have an excellent reputation.

Rep. Holdaway agreed that each institution is unique and asked the committee to recognize these unique roles.

Sen. Valentine referred to the charts used and pointed out that when comparing Utah, Utah has a higher number of adults with a bachelor's degree or higher but lower incomes and the income gap is growing. He stated that Higher Education in Utah does a great job of educating people.

4. Teacher Initiative – Commissioner Sederburg reported that there is no teacher initiative at this time.
5. USHE Fleet Request – University of Utah

Mr. Perez has made a request to expand the University of Utah fleet. Chief Folsom explained the reasons why each officer needs an equipped vehicle. Mr. Perez reported that the funding and leases will come from internal sources at the U of U. They are not asking for additional funds. The proposal would be beneficial in operational efficiency and in the emergency response plans. He discussed the fact that they have retention problems with their officers, and not having a car is one of the major reasons they leave. They have a 25 percent turnover every year, morale is also a problem because of the lack of an assigned vehicle. Mr. Perez asked the committee to authorize the number of vehicles that they allowed to have by 10 vehicles. There are currently 20 vehicles for 32 officers. With the required budget cuts, they will be reducing the number of officers to 29, and they are requesting one spare vehicle in case of repairs, accidents, etc.

Sen. Valentine asked for specific details about the equipment required in the police cars, the equipment required in supervisor's cars, and how many supervisors there are.

Chief Folsom answered that there are six supervisors (Chief Folsom, the Captain, two lieutenants and two detectives) who do have vehicles. These six vehicles are some specialized equipment, but are not fully-equipped patrol cars.

Mr. Perez stated that the other vehicles requested are other institutional needs, the funding for which is available through other funding sources (such as clinical research grants, auxiliary revenues).

Rep. Holdaway asked if the funding is not coming from state funds, where is it coming from?

Mr. Perez answered that for the past four years some of the funding allocated for the Vice President for Administrative Services has been moved from other internal sources as they have been analyzing how best to equip the police department to prepare for the purchase of these vehicles.

Rep. Holdaway commented that he is uncomfortable supporting this request when funding for all of the USHE institutions has been cut. He also commented that at SLCC they have moved away from a college police force to contracting with the Utah Highway Patrol.

Mr. Perez responded that even in times of budget downturns, security and safety of all individuals at the University are important. Having an increase in the number of vehicles would also allow them to be more efficient.

6. USHE Reallocations Issue Brief

Mr. Pratt explained the Issue Brief: USHE Reallocations. In the September 2008 special session, the full four percent budget cuts were taken at the Education and General line items for each of the institutions and at the administrative office for the State Board of Regents. The Legislature passed S.B. 2003 which allowed the institutions to reallocate funding between line items. Technically by law, a President cannot reallocate money between line items. S.B. 2003 was very specific and said for FY 2009 only specific appropriations could be reallocated. In order to make those reallocations effective for FY 2010, the base budget for 2010 needs to be adjusted. The specific adjustments are listed on the issue brief. In order to make the line items effective for 2010, the base budget needs to be changed. The institutions would like to move some of the cuts to specific line items.

MOTION: Rep. Holdaway moved to authorize the fiscal analyst to make the reallocations listed on the Issue Brief as outlined.

Mr. Darren Marshall, Manager of Audit & Financial Services for the Utah State Board of Regents stated that there were two discrepancies. The Board of Regents has 17 line items, the engineering initiative line item goes away this year. The Board of Regents line item will have to absorb the \$10,000 cut. The Board of Regents received \$150,000 concurrent enrollment funding that is a one-time line item that also goes away after 2009. There is a total of \$16,000 cut that would have to be taken from the Board of Regents line item, they would like to spread this out between all sixteen items that are left.

Rep. Holdaway withdrew his motion.

Mr. Marshall will work with Mr. Pratt on these technical changes.

MOTION: Rep. Daw moved to adjourn

Co-chairperson Valentine adjourned the meeting at 3:40 p.m.

Minutes were reported by Lorna Wells, Secretary.

Sen. John Valentine, Committee Co-Chair

Rep. Kory M. Holdaway, Committee Co-Chair